

Approved Minutes
Council Budget Session
August 16, 2011
Tuesday - 5:15 p.m.

The special budget session of the City Council, City of Vermillion, South Dakota was called to order on Tuesday, August 16, 2011 at 5:15 p.m. at the City Hall large conference room.

1. Roll Call

Present: Davies, French, Grayson (arrived at 5:43), Meins, Osborne, Ward, Willson, Zimmerman, Mayor Powell

2. Budget Workshop

John Prescott, City Manager, provided an overview of the budget noting that the budget presented should serve as the starting point for the process to develop the 2012 budget. He noted that the budget hearings are to provide the Council with the information about the budget to allow them to make the decisions needed to finalize the budget and also lists proposed changes in the 2011 budget. John reviewed some of the major items for the budget:

- Property taxes are allowed to increase 2.1% for 2012 per the state growth factor.
- Sales tax for 2011 was reduced to 2010 level and a 3% increase was included for 2012.
- Utility transfers are proposed to remain the same.
- The final debt service payment was made on TIF District #3 but over the term of the district the electric utility has advanced \$246,440 to make the debt service payments as there were not enough property taxes. The City Council has the authority to continue the TIF District to repay the funds to the electric utility.
- Utility rate adjustments for 2012 recommended by the Joint Powers Board will be 10% for the landfill. The electric rates for 2012 were already set when the seasonal rates were adopted. No rate increase is proposed for water unless the water tower replacement moves forward. A rate increase may be needed in wastewater depending upon the winter water usage needed to cover the debt service.
- The storm water fee is proposed to increase by 3% which will generate an additional \$5,400.
- John noted that a request was received from the Clay County Director of Equalization for the City to participate in a

Pictometry database. The request was for \$7,500 for three years to offset part of the annual cost of \$18,260.

- John noted that the Vermillion Housing Authority has indicated the need for assistance for their audit and workers compensation insurance costs due to reduced federal funding.
- John noted that additional funds were included in the ambulance budget for an increase in the hourly rate while on a call.
- The only new position was in the Emergency Communications where a half time position is being increased to full time as the City will need to provide two dispatchers at all times by July 1, 2013.
- John stated that the major projects will be the library addition and renovations starting this fall with anticipated completion at the end of 2013 and Stanford Street reconstruction is planned for bidding later this year or early next for construction in 2013.

Alderman Grayson arrived at 5:43 p.m.

The Council started the review of the 2012 proposed budget, as well as revisions to the 2011 budget, by reviewing the following sections of the budget with the City Manager and department heads: Public Utilities - Water, Wastewater, Electric; Equipment Replacement Fund; Policy and Administration - Engineering, Old Library Maintenance, Airport, Old Landfill Maintenance, Capital Projects, Storm water fund, Joint Powers Landfill, Joint Powers Recycling, Curbside Recycling; Human Development/Leisure - Public Library, Library Special Fund, Enterprise Fund - Liquor Store; Special Funds - BBB Sales Tax, Second Penny Sales Tax. The discussion of the BBB Sales Tax Fund included the amount of the outside agency requests from the W.H. Over Museum, National Music Museum, USD Admissions, Ribs Rods Rock n Roll, the VCDC, Fourth of July Celebration and Vermillion Now. The Council reviewed the amount of the requests that are included in the general fund from the Vermillion Public Transit, Dakota Senior Meals, Vermillion Area Arts Council, Senior Citizens Services and landfill voucher program. Discussion followed on the funding levels for the outside agencies and the impact on the City budget.

252-11

Alderman Ward moved to request that the City Manager notify the outside agencies who had requested funding from the City for 2012 of the amount that was included in the budget and if they would like to meet with City Council about the request schedule such as meeting time. Alderman Grayson seconded the motion. Discussion followed on the agency funding requests, the funds available in the budget and when meetings could be scheduled.

A roll call vote of the Governing Body was as follows: Davies - No, Grayson - Yes, French - No, Meins - Yes, Osborne - No, Ward - No, Willson - No, Zimmerman - No, Mayor Powell - Yes.

Motion failed 3 to 6. Mayor Powell declared the motion failed.

253-11

Alderman Willson moved for 2012 to fund W.H. Over Museum - \$15,000, National Music Museum - \$15,000, USD Admissions - \$10,000, Ribs Rods & Rock N'Roll - \$5,000, VCDC - \$185,400, Vermillion NOW! - \$30,000, and July 4th fireworks - \$3,500 from the BBB sales tax fund and Vermillion Public Transit - \$7,500, Dakota Senior Meals - \$3,500, Vermillion Area Arts Council - \$5,000, Senior Citizens Services - \$15,000 and landfill voucher program - \$6,500 from the general fund and requested that the City Manager notify the agencies of the funding amounts. Alderman Davies seconded the motion. Discussion followed on the motion.

A roll call vote of the Governing Body was as follows: Davies - Yes, Grayson - Yes, French - Yes, Meins - Yes, Osborne - Yes, Ward - Yes, Willson - Yes, Zimmerman - Yes, Mayor Powell - Yes.

Motion carried 9 to 0. Mayor Powell declared the motion adopted.

3. Adjourn

254-11

Alderman Ward moved to adjourn the Council Meeting at 9:30 p.m. Alderman Meins seconded the motion. Motion carried 9 to 0. Mayor Powell declared the motion adopted.

Dated at Vermillion, South Dakota this 16th day of August, 2011.

THE GOVERNING BODY OF THE CITY
OF VERMILLION, SOUTH DAKOTA
BY _____
John E. (Jack) Powell, Mayor

ATTEST:

BY _____
Michael D. Carlson, Finance Officer

Published once at the approximate cost of _____.